

NEW APPLICATION



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February 23, 2014

Arizona Corporation Commission

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VIA HAND DELIVERY

Steve Olea, Executive Director
Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, AZ 85007-2927

T-03864A-14-0073
T-04229A-14-0073
T-03631A-14-0073
T-03490A-14-0073

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Re: Notification of Transfer of Customers to Ionex Communications North, Inc. d/b/a Birch Communications. Docket No. T-03864A-14-_____

Dear Mr. Olea:

This letter is to advise the Arizona Corporation Commission that Ionex Communications North, Inc. d/b/a Birch Communications ("Ionex") has begun serving customers previously served by Lightyear Network Solutions, LLC ("Lightyear"), Ernest Communications ("Ernest") and Covista as a result of the transactions described below. The number of Arizona customers transferred to Ionex is small, fewer than 1,000 customers in total. (Lightyear 443; Ernest 114; Covista 409). Ionex understands that Commission approval was not required for Ionex to begin serving these customers due to the small size of the carriers involved in the transaction (not Class A Utilities), and the recently amended A.R.S. §20-285(F). Ionex sends this notice for informational purposes, and to provide contact information should any questions arise in the Consumer Services Section of the Utilities Division.

I. BACKGROUND INFORMATION

A. Ionex

Ionex Communications North, Inc. (d/b/a Birch) was issued a certificate of convenience and necessity by the Commission on January 29, 2014 to provide local exchange and interexchange telecommunications services in Arizona. See Decision No. 74295. Ionex is a wholly owned subsidiary of Birch Communications, Inc. ("Birch"). Birch is a Georgia corporation headquartered at 3060 Peachtree Road NW, Suite 1065, Atlanta, Georgia 30305. Birch and its subsidiaries are authorized to provide telecommunications services in all 50 states and the District of Columbia.

B. Lightyear Network Solutions, LLC

Lightyear is a Kentucky limited liability company which is headquartered at 1901 Eastpoint Parkway, Louisville, KY, 40223. Lightyear is certified to provide telecommunications services in the state of Arizona pursuant to Commission Decision No. 63381, which was issued February 16, 2001.

C. Ernest Communications, Inc.

Ernest Communications, Inc. is a Georgia corporation authorized to do business in Arizona since 1998. Ernest was authorized to provide competitive local exchange telecommunications services as a reseller in Arizona pursuant to Decision No. 63142, which was issued November 16, 2000.

D. Covista

Covista is a New Jersey corporation with headquarters located at 225 East 8th Street, Suite 400, Chattanooga, TN, 37402. Covista provides resold long distance service pursuant to a certificate for convenience and necessity issued by the Arizona Commission in Decision No. 62639, which was issued June 9, 2000.

I. DESIGNATED CONTACTS

Correspondence concerning this matter should be directed to:

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With Copy to:

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II. DESCRIPTION OF THE TRANSACTIONS

A. Lightyear

On May 10, 2013, Birch and Lightyear entered into an Asset Purchase Agreement ("Agreement") pursuant to which Birch would purchase certain assets and customers from Lightyear. Pursuant to the Agreement, Birch purchased the following assets from Lightyear: certain customer accounts and receivables, certain customer agreements and contracts, certain

vendor agreements and contracts, certain equipment, and certain intellectual property. Birch has not assumed any of Lightyear's pre-closing liabilities or obligations.

The Arizona portion the asset and customer transfer anticipated by the Agreement was delayed pending receipt by Ionex of its certification to provide service in Arizona. On January 29, 2014, Ionex received certification to provide service in Arizona, and the customer transfer anticipated by the Agreement is now underway. Lightyear served approximately 443 customers in Arizona.

Ionex will make all necessary revisions to its rates, terms, and conditions to incorporate Lightyear's current services and rates so that affected customers will continue to receive the same services that they currently receive without any immediate changes to their service offerings or rates. No changes to any customer contracts, if any, will occur as a result of the transaction. Upon completion of the customer transfer, Ionex will provide Lightyear's customers with the same service quality they have come to expect and all billing will be handled under the Birch name. Lightyear customers received notice of the change in carrier along with a commitment from Ionex that there would be no immediate change to the rates, terms and conditions of their services as a result of this transfer.

B. Ernest Communications, Inc.

On May 30, 2013, Birch and Ernest entered into an Asset Purchase Agreement ("Agreement") pursuant to which Birch purchased the assets and customers of Ernest. Pursuant to the Agreement, Birch purchased the following assets from Ernest: certain customer accounts and receivables, certain customer agreements and contracts, certain vendor agreements and contracts, certain equipment, and certain intellectual property. Birch, however, did not assume any of Ernest's pre-closing liabilities or obligations.

The Ionex will make all necessary revisions to its rates, terms, and conditions to incorporate Ernest's current services and rates so that affected customers will continue to receive the same services that they currently receive without any immediate changes to their service offerings or rates. The ownership structure of Birch and Ionex will not be affected by the Transaction. Ionex will provide Ernest's customers with the same service quality they have come to expect and all billing will be handled under the Birch name. Arizona Ernest customers (roughly 114) received notice of this change in carrier along with a commitment from Ionex that there would be no immediate change to the rates, terms and conditions of their services as a result of this transfer.

C. Covista

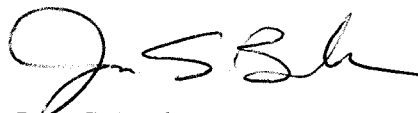
On November 30, 2012, Birch and Covista entered into an Asset Purchase Agreement ("Agreement") pursuant to which Birch purchased certain assets and customers of Covista. Pursuant to the Agreement, Birch purchased the following assets from Covista: certain customer accounts and receivables, certain customer agreements and contracts, certain vendor agreements

and contracts, certain equipment, and certain intellectual property. Birch, however, did not assume any of Covista's pre-closing liabilities or obligations.

Ionex will make all necessary revisions to its rates, terms, and conditions to incorporate Covista's current services and rates so that affected will continue to receive the same services that they currently receive without any immediate changes to their service offerings or rates. The ownership structure of Birch and Ionex will not be affected by the Transaction. Ionex will provide Covista's customers with the same service quality they have come to expect and all billing will be handled under the Birch name. Arizona Covista customers (roughly 409) received notice of this change in carrier along with a commitment from Ionex that there would be no immediate change to the rates, terms and conditions of their services as a result of this transfer.

If you have any questions concerning this matter, please contact me.

Respectfully submitted,



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ORIGINAL + 13 copies of the foregoing filed this 26th day of February 2014, with:
Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

By 